



**CALIFORNIA STATE  
PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

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## **AGENDA WITH ANALYSIS**

**NOTICE OF SPECIAL MEETING  
STATE PUBLIC WORKS BOARD  
Wednesday, September 5, 2012**

The **STATE PUBLIC WORKS BOARD** will meet on  
**Wednesday, September 5, 2012, at 9:00 a.m. in  
Room 113, State Capitol, Sacramento, California.**  
In accordance with provisions of section 11125 of the  
Government Code, a copy of the Agenda is attached.

Greg Rogers  
Administrative Secretary

Attachment

**STATE PUBLIC WORKS BOARD**

**Wednesday  
September 5, 2012**

**9:00 a.m.**

**Room 113**

State Capitol  
Sacramento, California

**I.** Roll Call

**II.** Bond Items

Page 3

## BOND ITEMS

### BOND ITEM—1

**CALIFORNIA STATE UNIVERSITY  
2012 SERIES D  
VARIOUS CALIFORNIA STATE UNIVERSITY PROJECTS**

*Project:* **Art Center and Satellite Plant**

*Campus:* *Bakersfield*

*Authority:* *Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (1),  
as reappropriated by the Budget Acts of 2009 and 2012*

*Project:* **Physical Education Replacement**

*Campus:* *Maritime Academy*

*Authority:* *Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (2),  
as reappropriated by the Budget Acts of 2009 and 2012*

*Project:* **Spartan Complex Renovation**

*Campus:* *San Jose*

*Authority:* *Chapters 33, Statutes of 2011, Item 6610-301-0668 (5), as reappropriated by the  
Budget Act of 2012*

**Consider adoption of a resolution to:**

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Trustees of the California State University, 2012 Series D, Various California State University Projects, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a One Hundred Eleventh Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board (the Board).
3. Approve the form of and authorize the execution of Site Leases between the Trustees of the California State University and the Board.
4. Approve the form of and authorize the execution of Facility Leases between the Board and the Trustees of the California State University.
5. Approve the form of and authorize the execution of a Project Delivery Agreement for the Spartan Complex Renovation project between the Board and the Trustees of the California State University.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
7. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement.

9. Approve and authorize the delivery of an Official Statement.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

<b>Estimated Project Costs to be Financed</b>	<b>\$101,320,000</b>
<b>Estimated Par Value of Bonds to be Issued</b>	<b>\$116,985,000</b>
<b>“Not To Exceed” Par Amount</b>	<b>\$142,395,000</b>

## BOND ITEM

### STAFF ANALYSIS—1

California State University  
2012 Series D  
Various California State University Projects

#### Action Requested

**The requested action would authorize the sale of the 2012 Series D lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.**

#### Scope Descriptions and Funding

**The projects are within scope and cost.**

#### Art Center and Satellite Plant Project, Bakersfield campus

The Art Center and Satellite Plant project will construct a new art center building, renovate space to provide faculty offices, expand the central plant by adding a satellite plant, and extend the campus sewer line. The art center building will construct a 16,181 square foot (sf) building in the western section of the campus, accommodating and a 2,600 sf satellite central plant.

The art center building will be configured as a single story, slab on grade, high bay structure with steel columns and wood trusses, concrete block sheer walls and durable interior and exterior finishes of metal, glass, and composite materials. The art center will be “U”-shaped with drawing and photo labs that frame a central courtyard and face the future humanities complex quad to the north. The building interior is designed to provide flexible and functional environments for five programmatic lab areas using indoor-outdoor studio areas, a large covered patio, and exhibit areas that flow into the adjoining courtyard. The building will be

orientated for northern exposure to take advantage of natural lighting and will utilize clerestory windows and sky lighting integrated with strategically placed high windows and window walls. The satellite plant will house a new chiller and cooling tower.

The Art Center and Satellite Plant Project is expected to go out to bid in September 2012. Construction of the Art Center and Satellite Plant is expected to commence in February 2013, is expected to last 19 months, and occupancy is expected in August 2014. The total Art Center and Satellite Plant Project cost is estimated to be \$18,068,000, of which approximately \$17,157,000 is expected to be financed from the 2012D Bonds. The balance of the project costs Bonds were paid for from cash.

#### Physical Education Replacement Project, Maritime Academy

The Physical Education Replacement project will construct a two level 38,601 sf Physical Education Replacement building at the campus entrance that will include an outdoor aquatic survival training pool. The first level houses training spaces, with the main gym, pool deck, multipurpose room, and weight and wellness rooms adjacent to a central locker area. The second level includes primarily administrative, faculty, and support spaces. The structural system is comprised of steel brace frames with metal deck and concrete fill. The building is clad in white precast concrete panels interspersed with translucent glass and visually supported by brick walls which reference the historic building material and color of the main campus. Portions of the perimeter are supported with cast in place concrete retaining walls. Noteworthy sustainable features include the high performance exterior envelope and enclosure insulation with high performance glazing and building materials utilizing recycled content and regionally obtained materials.

The Physical Education Replacement Project is expected to go out to bid in October 2012. Construction of the Physical Education Replacement Project is expected to commence in February 2013, is expected to last 19 months, and occupancy is expected in August 2014. The total Physical Education Replacement Project cost is estimated to be \$34,751,000 for design and construction, of which \$32,823,000 is expected to be financed from the 2012 Series D Bonds. The balance of the project costs were paid for from cash.

#### Spartan Complex Renovation Project, San Jose campus

The Spartan Complex Renovation Project will retrofit the existing Spartan Complex, which is a series of buildings constructed in the 1930s and 1950s, and include the Uchida Hall/Natatorium, Uchida Hall Annex, Spartan Complex East, and Spartan Complex Central. This project will renovate these buildings to meet the current seismic, Americans with Disabilities Act (ADA), life safety code requirements, as well as replacing the building systems. The Spartan Complex Renovation Project will include the conversion of a training facility into a two-level facility to provide laboratory, lecture, locker rooms and research space. Finally, it will add 8,850 sf to accommodate an elevator and bridge to address ADA access requirements.

The renovation will, among other things, convert space to make it a more efficient use of the buildings and to meet the needs of the campus, such as adding locker rooms, and a 155-seat smart lecture classroom. A lobby will be created for Spartan Complex Central incorporating an elevator and a two-story addition of offices to connect the Spartan Complex Central and Spartan East buildings for accessibility and to provide faculty offices. Two additional elevators, restroom facilities, and ramps will be incorporated in the project to correct code deficiencies. Electrical systems will be upgraded to provide power, data and fire alarm to meet the needs of the programs and to provide a code compliant system. The project will also install new HVAC systems to provide air conditioning to the offices and laboratories, while the gymnasiums and locker rooms will receive upgraded air handler systems. Sustainable features include the reuse of the existing buildings and energy savings of at least 10 percent greater efficiency than

required by California Title 24. The project design will incorporate products with recycled content, low emitting materials, controllability of space lighting, sustainable roofing elements, and increased insulation.

The Spartan Complex Renovation Project is expected to go out to bid in September 2012. Construction of the Spartan Complex Renovation Project is expected to commence in April 2013, is expected to last 21 months, and occupancy is expected in January 2015. The total Spartan Complex Renovation Project cost is estimated to be \$51,479,000 for construction, all of which is expected to be financed from the 2012 Series D Bonds.

#### Real Estate Due Diligence

The Title Evaluation Reports for the Art Center and Satellite Plant Project and the Spartan Complex Renovation Project reflect no issues affecting the use of the property for the projects. The Title Evaluation Report for the Physical Education Replacement Project reflects an issue with a utility easement that cuts across the proposed building site. This easement needs to be moved in order to construct the project. CSU is currently in negotiations with the utility company to amend the current easement to provide the right for CSU to relocate the utilities to the edge of the projects parcel. This amendment to the easement is necessary for the project to move forward. CSU is working to obtain this amendment by September 6, 2012. If CSU is unsuccessful, this project will be removed from the sale.

**Staff Recommendation:     Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—2

**CALIFORNIA STATE UNIVERSITY  
2012 SERIES E  
CALIFORNIA STATE UNIVERSITY VARIOUS BUILDINGS**

*Project:* **Warren Hall Replacement Building**  
*Campus:* *East Bay*

*Leased Assets:* **Valley Business Technology Center and Student Services  
Replacement Building**  
*Campus:* *East Bay*

*Authority:* *Chapter 33, Statutes of 2011, Item 6610-301-0668 (3), as reappropriated by  
the Budget Act of 2012; and Government Code section 15817.1*

**Consider adoption of a resolution to:**

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Trustees of the California State University, 2012 Series E, California State University: Various Buildings, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of an Indenture between the State Treasurer and the State Public Works Board (the Board).
3. Approve the form of and authorize the execution of a First Supplemental Indenture to incorporate the 2002E Bonds into the Series I Indenture Pooled Reserve Fund.
4. Approve the form of and authorize the execution of Site Leases between the Trustees of the California State University and the Board.
5. Approve the form of and authorize the execution of Facility Leases between the Board and the Trustees of the California State University.
6. Approve the form of and authorize the execution of a Project Delivery Agreement for the above listed project between the Board and the Trustees of the California State University.
7. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
8. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
9. Approve the form of and authorize the delivery of a Preliminary Official Statement.
10. Approve and authorize the delivery of an Official Statement.
11. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$48,975,000
Estimated Par Value of Bonds to be Issued	\$52,285,000
“Not To Exceed” Par Amount	\$61,430,000

## BOND ITEMS

### STAFF ANALYSIS ITEM—2

California State University  
2012 Series E  
California State University Various Buildings

#### Action Requested

**The requested action would authorize the sale of the 2012 Series E lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.**

#### Scope Descriptions and Funding

**The projects are within scope and cost.**

#### Warren Hall Replacement Building, East Bay campus (Asset Transfer)

*2012 Series E Leased Property*—The Wayne and Gladys Valley Business and Technology Center is a 64,960 square foot (sf) instructional and research facility completed in 2006 and consisting of a three-story West wing and a two-story East wing connected via a bridge. The West wing provides modern faculty offices, laboratories, lecture space, and a digital media and telecommunications laboratory. The East wing houses departmental and teaching labs for the School of Business and Economics, as well as a 255 seat presentation center. The structure is located on bedrock near the campus core and is supported on a shallow foundation system using spread footings and slab-on grade. The structural system is braced steel framing, with non-composite roof and composite floor decks utilizing light-weight concrete fill. The exterior consists of insulated metal panels, store front and curtain wall glass systems. The cooling system utilizes an air-cooled water chiller with supply air distributed via variable air volume boxes.

The Student Services Replacement building is a 100,000 sf facility that houses the student services and administrative functions of the university, including the President's office, the Provost, campus data center and phone switch, academic, administrative and business services offices. The building is located on the dominant east-west pedestrian axis in the campus core and is a four-story steel braced frame structure with concrete filled metal decks. The exterior is finished in a combination of insulated metal panel and high performance vision glass, with a



glass curtain-wall at the building's main entry point. Sustainable features incorporated into the project design include the low emission rated glass, energy efficient lighting, recycled interior finish materials, and water efficient landscaping.

There have not been any major renovations to any of the buildings since the initial construction was completed. A valuation was completed by an independent consultant in February 2012 for all the facilities, valuing the buildings at \$60,700,000.

The proceeds of the 2012 Series E Bonds will be used to fund the design and construction of the authorized following project, which is different than the above mentioned buildings and will be secured by the Site Lease and Facility Lease for the 2012 Series E Leased Property.

#### 2012 Series E Project

The Warren Hall Replacement Building project (the "Warren Hall Replacement Building") would demolish the 12-story Warren Hall, completed in 1973, and construct a replacement office building on the existing site. Due to seismic safety concerns, Warren Hall was vacated and closed in May 2011, and faculty and staff were moved to available space throughout the campus. The Warren Hall Building is located in the center of the campus on the west side of West Loop Road between Carlos Bee Boulevard and Harder Road.

The four-story replacement building will provide 113 administrative and faculty offices in a 67,000 sf facility and will accommodate most of the faculty and staff displaced from Warren Hall. The building will be a steel frame structure with high ceilings and open floor plan allowing for flexible space use. The project will be designed to meet or exceed California Energy Code Title 24 standards and will incorporate sustainability features including extensive use of natural day lighting and ventilation, energy-efficient lighting and heating, ventilation and air conditioning systems.

The Warren Hall Replacement Building Project is expected to go out to bid in November 2013. Construction of the Warren Hall Replacement Building Project is expected to commence in March 2014, is expected to last 27 months, and occupancy is expected in June 2016. The total Warren Hall Replacement Building Project cost is estimated to be \$48,975,000 for design and construction, all of which is expected to be financed from the 2012 Series E Bonds.

**Staff Recommendation:     Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—3

**UNIVERSITY OF CALIFORNIA (6440)  
2012 SERIES F  
LEASE REVENUE REFUNDING BONDS  
UCLA REPLACEMENT HOSPITALS  
LOS ANGELES COUNTY**

*Authority: Government Code §15840*

**Consider adoption of a resolution to refund all or part of the Board's outstanding 2002 Series A Bonds:**

1. Authorize the sale of State Public Works Board Lease-Revenue Refunding Bonds, The Regents of the University of California, 2012 Series F, UCLA Replacement Hospitals.
2. Approve the form of and authorize the execution and delivery of a First Amendment to the Site Lease by and between The Regents and the State Public Works Board (the Board).
3. Approve the form of and authorize the execution and delivery of a First Amendment to the Facility Lease by and between the Board and The Regents.
4. Approve the form of and authorize the execution and delivery of the Second Supplemental Indenture.
5. Approve the form of and authorize the execution and delivery of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the execution and delivery of an Escrow Agreement by and between the Board and the State Treasurer.
7. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement and an Official Statement.
9. Approve and authorize the delivery of an Official Statement.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

<b>Estimated "Not To Exceed" par amount for refunding bonds</b>	<b>\$110,305,000</b>
<b>Estimated par amount for refunding bonds</b>	<b>\$95,565,000</b>

## BOND ITEMS

### STAFF ANALYSIS ITEM—3

University of California  
2012 Series F  
Lease Revenue Refunding Bonds  
UCLA Replacement Hospitals  
Los Angeles County

#### Action Requested

**The requested actions would adopt a resolution authorizing the issuance of Lease Revenue Refunding Bonds for various University of California projects pursuant to the Board's Refunding Policy and as detailed in each resolution, approve the form of and authorizing execution of amendments to Site and Facility Leases, Supplemental Indentures, Preliminary Official Statement, Continuing Disclosure Agreements and other actions necessary to facilitate the financing.**

#### 2012 Series F Refunding Bonds

The Board has previously issued several series of lease revenue bonds to finance or refinance five separate projects for the University of California ("Prior 2002A Bonds") on the Los Angeles campus that are described in Appendix C to the draft Preliminary Official Statement.

The subject 2012 Series F refunding bonds will refund a portion of the principal amounts outstanding of the 2002 Series A refunding bonds. The 2012 Series F refunding bonds are secured by a reserve account other than the Master Indenture Reserve account.

The form of the Amendment to Facility Lease being presented to the Board in connection with the approval of the 2012 Series F Bonds will need to be modified for 5 of the leases to reflect that those Facility Leases secure bonds outstanding under more than one Indenture. Those five leases involve the following projects:

- *The Doris Stein Research Center, located at 200 Stein Plaza, Los Angeles, California 90095*—A four-story medical office building that was completed in 1989. It contains 84,756 gross square feet of classroom, office, laboratory, patient exam and support, conference and support library space. It is estimated to have current replacement cost of approximately \$33,485,000, excluding the parking area.
- *The Fowler Museum, located at 308 Charles E. Young Drive North, Los Angeles, California 9009*—A three-story museum that was completed in 1990. It contains 101,715 gross square feet of lecture, office, laboratory, museum exhibit and storage space. It is estimated to have a current replacement cost of approximately \$29,932,000.
- *The Gonda Molecular Neuroscience Research Center, located at 695 Charles E. Young Drive South, Los Angeles, California 90095*—A seven-story research laboratory facility that was completed in 1998. It contains 122,725 gross square feet of laboratory and laboratory support, conference rooms, faculty/staff/clerical support and storage space. It is estimated to have a current replacement cost of approximately \$61,123,000.
- *The MacDonald Medical Research Laboratory, located at 675 Charles E. Young Drive South, Los Angeles, California 90095*—A seven-story research laboratory facility that was completed in 1991. It contains 136,500 gross square feet of laboratory and laboratory support, conference rooms and faculty/staff/clerical support and storage space. It is estimated to have a current replacement cost of approximately \$66,701,000.

- *The Southern Regional Library Phase 2, located at 305 De Neve Drive, Los Angeles, California 90095*—A single story library collection storage facility that was completed in 1996. It contains 96,879 gross square feet of high-density library stacks. It is estimated to have a current replacement cost of \$18,669,000.

**Staff Recommendation:**     **Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—4

#### BOND REFUNDING POLICY VARIOUS PROJECTS

Consider adoption of a revised refunding policy

## BOND ITEMS

### STAFF ANALYSIS ITEM—4

Bond Refunding Policy  
Various Projects

#### Action Requested

**If approved, the requested action would adopt a revised policy for refunding its outstanding bonds.**

#### Description

Pursuant to Government Code Section 15840 the Board has the legal authority to refund any of its outstanding bonds. The current refunding policy was adopted in March 2004 and authorizes the refunding of its outstanding bonds if the refunding of each maturity, with specified exceptions, could achieve a net present value savings of at least 3 percent of the par amount of bonds to be refunded. The policy requires a maturity-by-maturity analysis with the acknowledgement that some maturities may achieve a lesser savings, and to the extent they fell into an exception, can be refunded. The policy also allows for a refunding where there are no debt service savings if it results in a refunding of a whole issue or where the Board determines such a refunding will produce other benefits in the administration of the Board's bond programs.

The Board's refunding policy is proposed to be updated and amended to authorize the issuance of refunding bonds under two circumstances: (1) when the refunding generates positive net present value savings equal to at least 3 percent of the par amount of bonds to be refunded, and (2) when the refunding will produce benefits to the Board's bond program apart from debt service savings.

The proposed policy is very similar to the current policy except in regards to how the 3 percent net present value savings is determined. Under the proposed policy the 3 percent net present value analysis will be performed on a bond series basis versus a maturity by maturity analysis within a bond series, and would allow additional maturities to be refunded that may produce some level of savings but not the 3 percent savings required under the current policy.

**Staff Recommendation: Adopt a revised refunding policy.**